

# House File 168 - Introduced

HOUSE FILE 168

BY ANDERSON

## A BILL FOR

1 An Act creating a crude oil disaster prevention and response  
2 fee, and providing for the deposit of the fees in certain  
3 water quality funds.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 8.57B, subsection 1, Code 2021, is  
2 amended to read as follows:

3 1. A water quality infrastructure fund is created within  
4 the division of soil conservation and water quality of the  
5 department of agriculture and land stewardship. The fund  
6 shall consist of moneys deposited in the fund pursuant to  
7 section 8.57, subsection 5, paragraph "f", subparagraph  
8 (1), subparagraph division (c), moneys deposited in the fund  
9 pursuant to section 455B.702, moneys transferred to the fund  
10 pursuant to section 423G.6, and appropriations made to the fund  
11 and transfers of interest, earnings, and moneys from other  
12 funds as provided by law.

13 Sec. 2. Section 16.134A, subsection 2, Code 2021, is amended  
14 by adding the following new paragraph:

15 NEW PARAGRAPH. *Ob.* Moneys deposited in the fund pursuant to  
16 section 455B.702.

17 Sec. 3. NEW SECTION. **455B.702 Crude oil disaster prevention**  
18 **and response fee.**

19 1. A crude oil disaster prevention and response fee shall  
20 be payable by the owner or operator of a pipeline company, as  
21 defined in section 479B.2, that does not deliver its product  
22 for final use in this state, in an amount equal to fifty  
23 ten-thousandths of one cent per gallon of crude oil transported  
24 out of the state by pipeline, whether extracted in or out of  
25 the state. The director shall establish by rule procedures for  
26 collecting the fees.

27 2. Fees collected pursuant to this section shall be  
28 deposited as follows:

29 *a.* Fifteen percent shall be deposited in the water quality  
30 infrastructure fund created in section 8.57B.

31 *b.* Eighty-five percent shall be deposited in the water  
32 quality financial assistance fund created in section 16.134A.

33 **EXPLANATION**

34 The inclusion of this explanation does not constitute agreement with  
35 the explanation's substance by the members of the general assembly.

1     This bill creates a crude oil disaster prevention and  
2 response fee applied to crude oil transported out of the state  
3 by pipeline and payable by the owner or operator of a pipeline  
4 company that does not deliver its product for final use in  
5 this state. The bill requires the director of the department  
6 of natural resources to establish rules for collecting the  
7 fee. Of the fees collected, 15 percent shall be deposited in  
8 the water quality infrastructure fund and 85 percent shall be  
9 deposited in the water quality financial assistance fund.

10    Pursuant to Code section 455B.109, the environmental  
11 protection commission is required to establish, by rule, civil  
12 penalties applicable to a violation of Code chapter 455B, which  
13 would include the failure to pay the fee created in the bill.